

# Green Marketing Strategies under Driving Force of Corporate Social Responsibility: A New perspective

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**Abstract-** In the recent year lots of the organization focus on green marketing strategies for ecofriendly develop environment between organization and customers. This paper is focus on green marketing under the driving force of social responsibility considering the interrelationship between green marketing and corporate social responsibility, which is significant to solve the problem of lacking driving force in green marketing. This paper states how to drive venture/company to carry out green marketing under the guidance of scientific development and it will find a new way for the development of green marketing.

**KEYWORDS-** green marketing, corporate social responsibility, competitive advantage formatting

## 1. INTRODUCTION

The biggest obstacle of green marketing has been the lack of driving force. Although almost all the accomplished enterprises advocate environment protection and resource saving in their social responsibility report, lacking driving force in green marketing may well project that they haven't taken fulfilling social responsibility as their perceptive and strategic target or as the index of corporate core competitiveness.

The core of green marketing is the unity of economic benefit, consumer demand and environmental benefit and its ultimate goal is to promote corporate sustainable development and then to make enterprises assume more social responsibilities. Many scholars have probed into promoting corporate social responsibility via the implementation of green marketing. However, the intends to focus on green marketing under the driving force of social responsibility considering the interrelationship between green marketing and corporate social responsibility, which is significant to solve the problem of lacking driving force in green marketing.

## 2. CORPORATE SOCIAL RESPONSIBILITY DRIVES ENTERPRISES TO CARRY OUT GREEN MARKETING

By definition, green marketing refers to the specific development, pricing, promotion and distribution of products based on environmental benefits and the harmony between man and nature, aimed at achieving the coordinated development of society, economy and ecological environment as well as the unity of the interests of enterprises, the interests of consumers, the interests of society and the ecological benefits.

Therefore, green marketing requires enterprises should take up overall marketing activities that do not damage the environment. It requires enterprises in the marketing process should establish environmental awareness, having the principle of "no-waste without pollution", "without any bad ingredients" and "pollution-free" run through the process. When an enterprise pursues its profits with its social mission in mind, shares the interests with its consumers and its partners, and achieves harmonious development and harmonious co-existence with environment, it is actually performing corporate social responsibility. Therefore, green marketing and corporate social responsibility, in essence, make a natural unity.

With the SA8000, ISO14000 and other corporate social responsibility system gradually embedded in the international market rules, many companies have had intrinsic motivation and objective conditions to assume more social responsibility. A socially responsible enterprise has been aware it must win the public trust, enhance corporate image and reputation so as to gain market advantage. Only in this way can it reap business benefit.

In reality, if there is no economic interest motivation, no enterprise would implement green marketing, especially for the vast majority of small and medium enterprises that are still at the growing stage. 90% enterprises in China are SMEs, and the difficulties in implementing green marketing mainly come from their concerns about

costs and benefits. Under the background of energy-saving environmental protection advocated by the government, the driving force from the outside becomes particularly important. Only when the benefits from assuming social responsibility exceed the pay, will the driving force to implement green marketing come into being. And when external pressure change into internal economic incentives, the enterprise would not unconsciously adapt itself but voluntarily make changes so as to truly fulfill its social responsibility.

### **3. GREEN MARKETING IS THE SOLUTION TO FULFILL CORPORATE SOCIAL RESPONSIBILITY**

#### **3.1 To protect consumers' interests**

From the perspective of production and operation, to protect the interests of consumers includes that enterprises should be honest without price-gouging, offer true promotional content, trade equally, seek lawful interests, and so on. As far as green marketing is concerned, to protect the interests of consumers mainly covers two aspects. Primarily, products should be safe and reliable. Products must meet the quality standard, satisfy the functional use, ensure consumers' safety and minimize the risk in use. Unsafe materials, technologies and processes must be phased out. The other aspect is product's environmental energy-saving. Both production and use should conform to the principles of environmental protection. Product's features cannot be arbitrarily added and luxury packaging cannot be used to pursue corporate profits lest it should undermine the social and natural environment. The production and use should also be in favor of saving resources, not at the expense of the interests of future generations. Marketing activities of enterprises and consumers are interrelated and mutually constraining. The demand for green consumption calls for enterprises to implement green marketing. Green marketing, in turn, protects consumers' interests.

#### **3.2 To protect environment**

As a fundamental social unit, enterprises need to exploit various resources from the external environment to seek development, which will inevitably influence the external environment. This impact has been very obvious in western developed countries in 1970s, such as energy shortages, soil erosion, acid rain, environmental pollution, etc. Since the 21st century, not only in developed countries environmental improvement is unsatisfactory, but also in most developing countries, with rapid economic development, economic development has gradually

had negative impact on environment. Therefore, environmental protection has become a global task and corresponding request has been made on enterprises marketing activities.

#### **3.2.1 Corporate marketing activities need to improve the quality of the environment**

Environmental protection and corporate marketing activities are not contradictory. If well-coordinated, they will promote the harmonious development of human society. The environmental movement is not opposed to marketing activities of enterprises and people's consumption behavior, but requires companies to pay attention to improving the quality of the human environment when providing high-quality products for consumers. Tetra Pak in Swede attaches great importance to the implementation of environmental responsibility in the pursuit of economic interests. It never forgets to protect the environment. In 2004, the plant waste treatment rate is as high as 95%, and the wastes that are not recyclable and are sent to landfills and incineration field account for only 4% of all the wastes.

#### **3.2.2 Corporate marketing decision-making needs to consider environmental costs**

Inevitably marketing activities in all aspects are related to the environment. If the enterprises only consider their own interests without regard to the impacts of marketing activities on the environment, they will conduct enterprise marketing regardless of the environmental costs.

Environmental movement advocates that in various marketing activities before, amidst and after sale enterprises should take some positive actions to limit the damage to the environment counting environmental costs into the marketing costs, such as the implementation of "polluter pays" and "compensation for using environment".

To some extent, most environmental problems result from economic activities. As the direct or indirect producer of environmental pollution, enterprises must assume the corresponding social responsibilities. [1] It has proved that green marketing can effectively help to protect the environment, which is beneficial for the present and future generations. In this way enterprises have consciously assumed the social responsibility.

### **4. CORPORATE COMPETITION AT THE ERA OF OVERALL GREEN RESPONSIBILITY**

Under the new notions of production and consumption, the mode of economic development demands enterprises

to establish the determination and confidence in performing green marketing, which is the competitive requirement at the age of overall responsibility. Green marketing strategies, undertaken by the enterprises, mean that the power of the governments, enterprises and consumers should be motivated in the long run, not just by the enterprise alone. The global investigation report of the enterprise responsibility, recently issued by KPMG, points out the percentage of economic driving force undertaken by enterprises has been up to 74%. The competition among enterprises has transferred to the competition of the capacity of social responsibility undertaken by enterprises.

#### **4.1 Responsible government**

The enterprises, engaging in the environmental welfare undertaking, would worry that their opponents make profit easily through “free riding”. Because these enterprises will abide by the high-cost decree of environmental protection, but others will not, which can result in the rise of product price and the fall of competitive capacity. The responsible government will strive to promote the implementation of green marketing by establishing strict laws and by leading green consumption.

##### **4.1.1 Establishing strict regulations**

Our government has made great achievement in the environmental management, such as establishing and perfecting many environmental protection legislations, publishing more than 300 national environmental standards, up building the environmental protection strategy systems based on “prevention first”, “polluter pays principle” and “strengthening inspection systems”, and establishing the environmental impact assessment, pollution charges, sewage discharge permission, centralized pollution control. For example, Law of Promoting Clean Production and Law of Environmental Impact Assessment have been published. The Company Law, revised and implemented in Jan.1, 2006, clarified the corresponding social responsibility of the enterprises engaging in production and operation in the form of law for the first time. [2]

The government departments should supplement and perfect the existing legislation system as soon as possible and strengthen supervision and inspection in legislation of environmental law. Our government issued the Ban of Plastic in Dec. 31, 2007: all the supermarkets, department stores and market places should implement the compensation system of plastic shopping bags. Such move

embodies the determination of our government to implement scientific development perspective and to build resources-conserving and environment-friendly society. Some developed countries construct “green barracks” of non-tariff barrier. It will consequentially drive the enterprises to open more markets abroad by green marketing and breaking the green barracks, and then maintain competitive force in the sustainable development, which deserves our government to study.

##### **4.1.2 Positively guiding green consumption and enhancing green requirement**

In the allocation of roles, the government has evolved from the leading role to the guiding role. In the green marketing system, the government gets involved in green marketing as the external force, but it has the functions of monitor in the enterprises’ green marketing. Besides supervision in the laws and regulations, the government is also the main driver and dominant power in green marketing. To some extent, effective government initiating and supervision is the key to put forward the green marketing. The government should extensively use the media campaign to improve the green awareness of the public, and undertake the responsibility of Green Education to the public. Through the propaganda of environment protection and regular announcement about the situation of the public existing environment, the public can understand and consciously form environmental awareness, and then have the notions of green consumption, which will become the priority of their consumption, and it will drive enterprises to enhance their environmental awareness and social responsibility, and then to implement green marketing.

##### **4.1.3 Responsible enterprise**

From the angle of enterprise, the implementation of green marketing is not only the important means to reduce Energy consumption, lower environment pollution, realize clean production, increase cost competitiveness, but also the important method to fulfill social responsibility and make outstanding enterprise citizens.

Under the effective guidance of government for the consumers’ demand of green consumption, enterprises have changed from passive participation to active practice. The role of enterprise also has come out of the passive acceptance of the government’s interference of decision-making and economic benefit. From profit-oriented to honesty-oriented guidance, enterprises produce environment-friendly products in accordance with the green consumption, and have been on the road of sustainable development under the influence of green

marketing. The former poor operation has been gradually replaced by a series of healthy operation under the rule of government legislation. A good enterprise should step out of the narrow economic ideology, and create satisfying social images and be responsible for the benefits of larger scale. The further development and expansion of an enterprise should go first to be responsible for the consumers, and then for the stockholder. By doing all these well, that is to really fulfill social responsibility and be beneficial for the society. In the "2007 Corporate Social Responsibility Report", Wuhan Iron and Steel first pointed out it has been committing itself to become an honorable international first-class enterprise, and seeking a sustainable development mode. Besides concerning the benefits of stockholder and state, it has tried its best to achieve the harmonious co-existence among employees, consumers, suppliers, communities, government and the natural environment. Therefore, to implement the green marketing has invisibly become the intrinsic motive for the enterprise to become responsible enterprise citizen.

To implement green marketing is the base for enterprise to create green image, the goal most enterprises strive to attain. Good image depends not only on the product credit, but mainly on the enterprise credit. In order to earn consumers in the market competition, it is not enough for the enterprise just to have good product and service, but also set up new operation principle, clear awareness of the social responsibility. In this way the enterprise can create a good public image, and it can finally earn consumers.

#### 4.1.4 Responsible consumer

Whether the enterprise's social responsible behavior can successfully deliver its message of ideological and ethical standards to consumers is the key for the enterprise to get benefit from its activities. It is a long road for the public and consumers from unconsciously accepting green product to changing consumption value. During this process, government's correct guidance is fruitful, and has made most consumers consciously protect the environment, have the requirement of green product, answer the call of government and society to use environmentally energy-saving products.

##### 4.1.4.1 Purchase link:

Consumers have made the change from product and service focus to the concern of process, and the change from pure economic rationality to the double consideration of economic rationality and normative rationality. The consumer's normative rationality refers to

the factors that influencing their purchase and consumption behavior after cultural values, morality, ethics, tradition, consumption habit, responsibility and law have been perceived and internalized by consumers as constraint conditions. Responsible consumers will show more concern about whether the use of resources in the development and manufacturing of products is rational, and whether the reject amenta is properly disposed and recycled in the process of production. Consumers have performed the function to supervise whether the enterprises fulfill their social responsibility on the buying link.

According to the survey, at the same quality and price, enterprises' positive messages stimulates consumers' purchase intention to rise 36.7%; but under the stimulation of negative messages, the intention will drop 26.3%. So it is clear that such actions will influence consumers' buying decision as how the enterprise behaves, whether it does good deeds and how to do it.

##### 4.1.4.2 Consumption chain:

At present China, consumers are willing to buy organic foods that are not treated with pesticides. They pay more attention to electricity conservation and environmental protection than the product's quality and function when they buy refrigerator and washing machine. It reflects the huge potential of green requirement. The increasing responsible attitude of consumers urges enterprises to constantly innovate green marketing strategies.

*Survey of Public Environment Awareness of Unilever Cup* sponsored by CFEJ and Unilever (China) Co., Ltd. shows that the environment awareness of Chinese people is increasing. About 65% of those surveyed believe environment pollution is the biggest problem in the world now, 98% have taken part in the discussion of environment problems and the activities of environment protection and 31% are willing to participate in the protection.

##### 4.1.5. Social responsibility marketing

Scientific Outlook on Development expedites the coming of the age of enterprise overall responsibility. Enterprises should not only seek economic profit for their development, but should pay more attention to benefit others in order to get their own benefit in the long run and realize long term survival and development. This is also essential to build harmonious society in the new era, which can coordinate the society and natural environment

and promote the coexistence of the society and natural resources.

The age of enterprise overall responsibility also expedites social responsibility marketing. Social responsibility becomes one of the methods to publicize the enterprise itself and differentiate itself from its rivals. [3] Enterprises are undertaking some certain social responsibilities such as making contributions to charity organizations, protecting environment and helping the poor. With the aid of news media and advertising campaign, the enterprise can improve its reputation, upgrade its image, increase the brand awareness and customer loyalty, and ultimately increase the sales.

To sum up the social responsibility marketing is able to work, the reason comes down to: first, consumers are forming a normative rationality; second, social responsibility marketing is in accordance with consumers' value and able to move consumers.

## 6. CONCLUSION

Green marketing under the driving force of corporate social responsibility needs government, enterprises and consumers to work together in order to form a healthy social situation in which the government guides green behavior, enterprises conduct green production and consumers use green products. The concept of green marketing driven by social responsibility stresses not only discovering the need for meeting the demand, but also guiding the demand. Green marketing ethic requires that no matter production or consumption stage or recycling wastes should be green, healthy and environmentally-sensitive. Through green marketing, enterprises not only have promoted the rational allocation of resources and improved resource allocation and efficiency, but also have helped enterprises to expand market share and share volume and earn higher customer loyalty and greater customer groups, which naturally adds competitiveness to the enterprises. So, the enterprises are able to successfully implement green marketing strategies as early as possible will be able to step ahead in fierce competition.

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